

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 11th day of July, 2006 the Aransas Pass Municipal Development District convened in a Regular Meeting being open to the Public at the regular meeting place thereof in the City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT

PRESENT: DON MCTEE President
HOPE COMINGORE Vice President
SHERRI TRINGALI Secretary
RANDY BOATMAN Director
JESSE GALVAN Director
RANDALL FREEZE Director
HARLAN ROBERTS Director
ED LAPOINTE Director
RAYMOND STONE Director

ABSENT: HAROLD HEES Director
JIMMY TURNER Director

STAFF PRESENT: DEBRA KELLER Executive Director/Treasurer

CITY STAFF PRESENT: Gretchen Black, Assistant City Manager
Scott Thompson, City Manager

OTHERS PRESENT: Mr. Sid Smith, American Appraisal

ITEM 1.

CALL MEETING TO ORDER

President McTee called the Meeting to order at 6:32 P.M. on July 11, 2006. President McTee stated there was a quorum present.

ITEM 2.

APPROVAL OF MINUTES OF SPECIAL MEETING OF JUNE 6 2006

Vice President Comingore moved to approve the minutes of the special meeting of June 6, 2006. Secretary Tringali seconded the motion. Motion carried.

ITEM 3.

RECONSIDER AND ACT ON AGREEMENT BETWEEN CITY OF ARANSAS PASS AND ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT FOR SERVICES RELATED TO THE PROCUREMENT OF LAND FOR COMMUNITY CENTER PROJECT.

Executive Director stated this agreement had been on the last two agendas and the Board had requested Mr. Thompson and Mr. Smith attend this meeting as the board had questions regarding the charges for the appraisals. Executive Director stated the board had received a breakdown of the charges from Mr. Smith as well as the letter that he faxed to Ms. Black explaining the charges. Executive Director stated the agreement is to reimburse the City for the cost of the appraisals to obtain additional land for the Civic Center project. Executive Director stated Mr. Smith had attended our meeting and explained the process that he would go out and appraise the land and buildings and at that time the estimated cost was \$17,000.00 to do the job. Ms. Black had presented

Executive Director this agreement that stated the reimbursement would be based on a pro rata share of the allocation of the City Hall and the Civic Center. Executive Director stated once the original agreement was approved by the Board, City Manager did not take it to City Council, but asked the Executive Director if the Board would reconsider and pay 100% of the appraisal cost and any fees for negotiations. Executive Director and members questioned Mr. Smith and Mr. Thompson about the additional \$3,300.00 to the appraisal costs and the verbal agreement they have. Executive Director clarified that the land will be owned and operated by the City and MDD is the financing mechanism. Executive Director questioned Mr. Thompson about a signed contract with the architect. Mr. Thompson stated he has no signed contract with the architect. Mr. Thompson stated that he and the architect have the same thing, a total set amount of work. Executive Director asked Mr. Thompson if he is going to get a signed contract with the architect. Mr. Thompson stated "why would we need one, we got a proposal." Executive Director mentioned to Mr. Thompson that usually you get a contract so that it lays out all that is going to be done and for what fee, because we need to know what their fees are. Mr. Thompson stated that they know what the architect is going to do and what their proposed amount is. Director Galvan asked Mr. Thompson if the architect has been paid anything? Mr. Thompson advised no payment has been made to the architect. Executive Director stated she needed to know if there was a contract, if so, she can forward it to the board for approval and for reimbursement as well. Mr. Thompson was asked if we should have the services under a contract and is there a level of money for competitive bids. Executive Director stated that on professional services you don't have to have competitive bids, you can choose to do it how you want, at the discretion of the board and the City, it makes things easier when you have a contract upfront because you don't want any issues like this, its all laid out, you know what your dealing with, you know how much you are going to pay, you know what they are going to do for what the services they are going to provide. It just makes things cleaner when you have a contract. Just for clarity sake because it's a long project and two different institutes working together too, in paying different portions that we do look at getting a contract from the architect, so that we know what it is that they are going to do for us and how much they are going to charge and we are all clear in making things easier along the way. Secretary Tringali stated we don't want to have the problems we had on the pool project again, we want to have it cut and dry and if the proposal has all those things in it, the City signs it and we agree to it, then it's a contract. Secretary Tringali also stated that we want to be protected so that we don't have to go and clean up a big mess again. Director Stone stated he is not for a percentage contract but prefers a flat rate contract so that the architect does not increase the price of the project to increase their fees. President McTee stated that with the problems, confusion and misunderstandings that we have with this appraiser, he would be very reluctant to go and spend big money unless we had a well understood contract. Executive Director stated she has the architect's proposal that she can bring to the board at the next meeting. Further discussion was held. The property purchased by the District for the Civic Center was discussed. The Board recommended the City receive fair market value on the lease for the property purchased by the District on Wheeler Avenue for the Civic Center Project. Member Boatman moved to reimburse the City for the appraisal fees for \$15,350.00. Member Freeze seconded the motion. Motion carried.

ITEM 4.

PRESENTATION OF 2ND QUARTER FINANCIAL AND INVESTMENT REPORT.

Executive Director explained in detail the budget, financial reports and investment report for all funds for the benefit of the new board members. No action was taken on this item.

ITEM 5.

CONSIDER AND ACT ON RECOMMENDATION OF CANDIDATE FOR THE ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT BOARD.

Executive Director explained that Mr. Turner has not re-applied for the next term and one application was received for this position from Marilyn Rimer. Discussion was held. Secretary Tringali moved to make recommendation of City Council to accept Ms. Rimer's application along with the three renewing members which are Sherri Tringali, Randall Freeze, and Hope Comingore. Member Freeze seconded the motion. Motion carried.

ITEM 6.

DISCUSSION TO SET DATE TO VISIT OTHER COMMUNITY/CIVIC CENTERS.

Executive Director stated the trip to visit other civic centers was cancelled and advised board members of the need to set a date to visit Bay City Civic Center and Lake Jackson Civic Center to see their floor plans to get ideas for the Aransas Pass Civic Center. The Board agreed to the date of July 21, 2006. Discussion was held. Vice President Comingore moved to visit Civic Centers on July 21, 2006. Member Boatman seconded the motion. Motion carried.

ITEM 7.

CONSIDER AND ACT ON EXCUSED ABSENCES

No action taken.

ITEM 8.

DIRECTOR'S REPORT

Executive Director stated that at the next meeting in August there will be officer elections and also discussion of the civic center final revisions before taking the revised plans to the architect. The next step would be to take the plans to the City Council for their approval before proceeding further. The Architect's proposal will be on the next agenda.

ITEM 9.

CITIZEN'S COMMENTS

NONE

ITEM 10.

GENERAL DISCUSSION

NONE

ITEM 11.

ADJOURNMENT OF MEETING

The meeting was adjourned at 8:05 p.m.

Don McTee, President

Debra Keller, Executive Director

ATTEST:

Sherri Tringali, Secretary